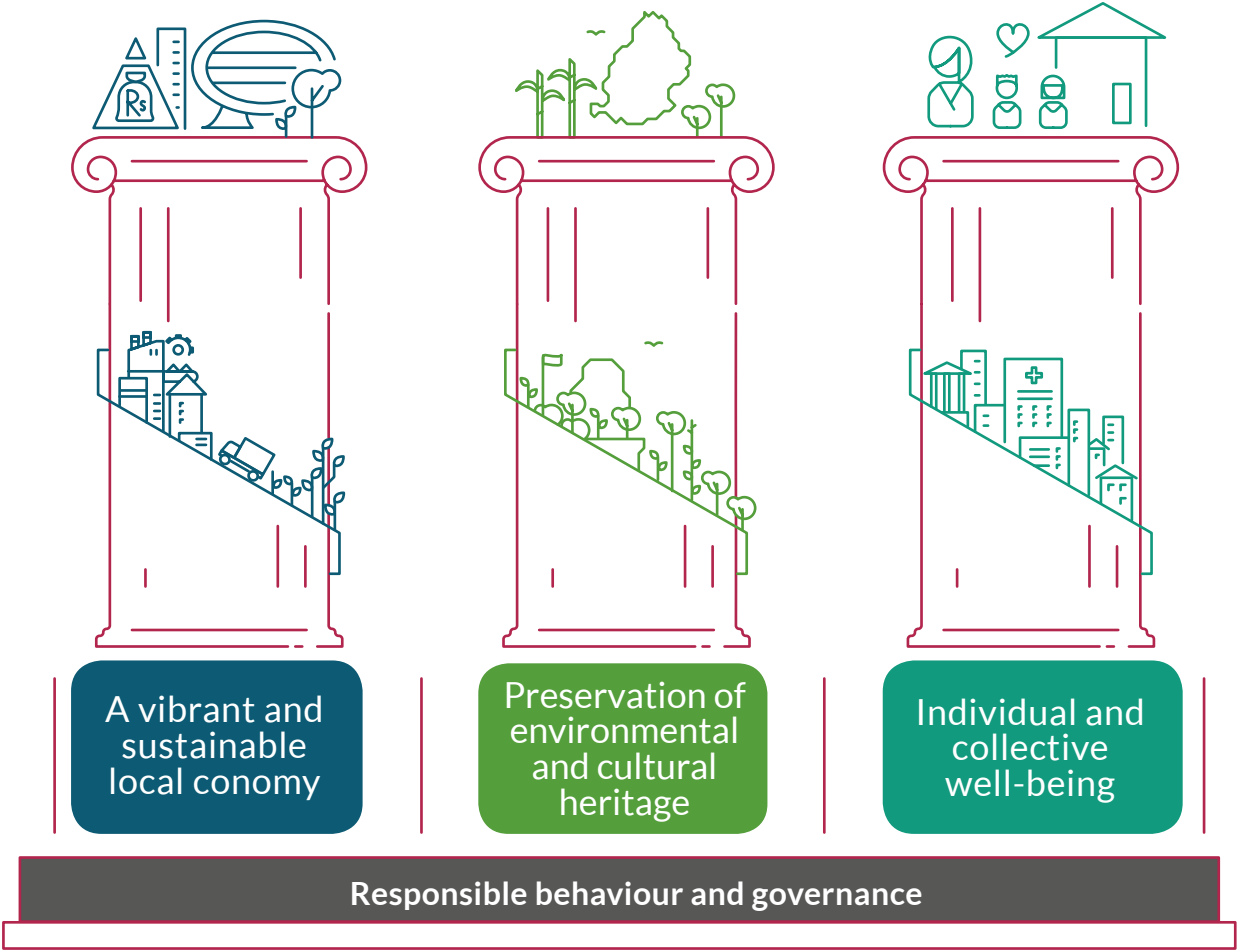


OUR SUSTAINABILITY STRATEGY

'Success Beyond Numbers' is MCB Group's philosophy behind its strong commitment to be a responsible organisation. As a key financial institution in Mauritius, the organisation has a critical role to play in the economic development of the country by helping to tackle the known social, environmental and economic issues. The Group has redefined the way it measures success through 'Success Beyond Numbers', which focuses on value creation for its diverse stakeholders. There are three pillars for action in its Corporate Sustainability Programme, which was launched in November 2018.

The Group's 2020-2026 sustainability strategic plan covers the three pillars:



Our Approach

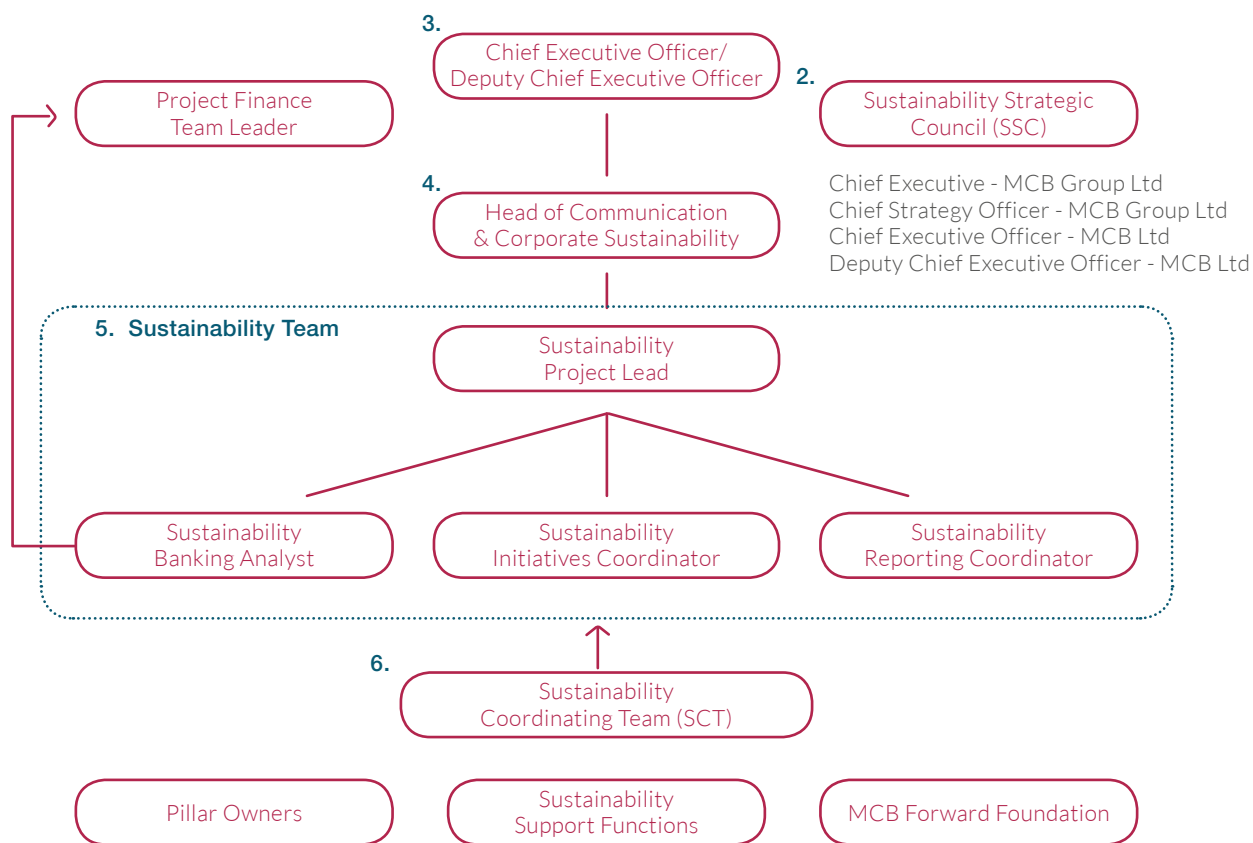
Our approach to sustainability is founded on the material issues of Mauritius and MCB Group. Our sustainability philosophy is informed by the international principles, guidelines and standards that we have committed to. This is supported by the governance structure shown and comprising of three levels of contribution including the Remuneration, Corporate Governance, Ethics and Sustainability Committee, the Sustainability Strategic Council, and the Sustainability Coordinating Team.

The implementation of our Corporate Sustainability Programme is driven by the Sustainability Team under the leadership of the Head of Communication and Corporate Sustainability. Three new members have joined the Sustainability Project Lead in 2020 to form a dynamic sustainability team with a cross-functional role to ensure integration of sustainability practices into the business. The mission of the Sustainability Banking Analyst is to assess according to the Equator Principles, the environmental and social impacts of projects financed, to ensure compliance with the Bank's Environmental and Social Risk Management policy and to drive the sustainability agenda at business lines level. The Sustainability Initiatives Coordinator is responsible for implementing and coordinating initiatives within the Group while the Sustainability Reporting Coordinator focuses on ensuring compliance with global commitments and facilitates reporting on the overall sustainability programme.

MCB GROUP



MCB LTD.



1. Remuneration, Corporate Governance, Ethics and Sustainability Committee

Appointment of a New Director with expertise in sustainability to better oversee the Group's sustainability strategy.

2. Sustainability Strategic Council

Top Executives and some Heads of Strategic Business Units are part of this council. New mandate and responsibilities have been established for better efficiency in approving strategic initiatives.

3. Deputy Chief Executive Officer

As the sustainability programme sponsor, the Deputy Chief Executive Officer approves and authorises tactical initiatives.

4. Head of Communication and Corporate Sustainability

Overall accountability for successful implementation of the Sustainability Programme.

5. Sustainability Team

Subject expertise for crafting sustainability strategic vision and plan, and implementation of initiatives.

6. Sustainability Coordinating Team

Operational Coordination of sustainability initiatives with Pillar Owners and other Heads of Business Units.

OUR SUSTAINABILITY STRATEGY (CONTINUED)

Key challenges to implementing our Sustainability Programme

Our Response

<p>Governance structure Having the right and efficient governance structure to ensure the success of implementation.</p>	<ul style="list-style-type: none"> Board commitment and monitoring by the the Remuneration, Corporate Governance, Ethics and Sustainability Committee, together with people participating at various levels, show our strong commitment to achieving sustainability.
<p>Resources Availability of manpower, time, and finance for implementation of initiatives.</p>	<ul style="list-style-type: none"> A clear and structured timeline and planning. Commitment of Leadership Team.
<p>Sustainability culture Participation of all employees and enhancing behaviour.</p>	<ul style="list-style-type: none"> Internal transparent communication. Awareness programmes for employees. Facilitating knowledge transfer and collaboration. More autonomy in implementing actions and recognition of individual involvement.
<p>Operational A strong data collection and analysis culture for efficient measurement and monitoring of set objectives.</p>	<ul style="list-style-type: none"> Use of the right tools for measurement and monitoring of key performance indicators. Provision of adequate resources (people, time, financial)

OUR COMMITMENTS AND PARTNERSHIPS

- UN Sustainable Development Goals (UN SDGs)**
- UN Environment Programme Finance Initiative Principles for Responsible Banking (UNEP FI PRB)**
- UN Global Compact principles**
- Equator Principles**
- GRI Sustainability Reporting Standards**
- International Integrated Reporting Council (IIRC) < Integrated Reporting > Framework**
- Agence Française de Développement (AFD)**
- UN Global Compact Network Mauritius**
- Stock Exchange of Mauritius Sustainability Index (SEMSI)**



MCB Ltd Sustainability Rating by Ecovadis

MCB obtained a Sustainability score of 53/100 equivalent to a Bronze medal in a recent assessment of its sustainability practices .

The objective of the rating methodology is to measure the quality of MCB’s sustainability management system through its policies, actions and results in the following areas: environment, labour and human rights, ethics and sustainable procurement.

STRENGTH

Good environmental, labour and human rights and ethics practices and reporting

AREA OF IMPROVEMENT

Sustainable procurement practices

UNEP FI Principles for Responsible Banking

PARTICIPATING IN ‘STRUCTURE OF REPORTING’ WORKING GROUP

MCB is currently taking part in virtual interactive sessions together with international signatory banks. The objective of the working group is to empower signatory banks to report on their implementation of the PRB – integration with other reporting framework in order to leverage existing reporting information. It started in June 2020 with one virtual interaction per month.

UNEP FI AND HARVARD RESEARCH PROJECT ON THE SUSTAINABLE RECOVERY FROM COVID-19

This research project which was conducted by the two institutions in May-July 2020 will give high level recommendations on recovery from the crisis while accelerating the transition to a better and sustainable economy. We have shared the measures taken by the Bank during the pandemic lockdown in Mauritius.

MCB Group MSCI ESG Rating

In 2020, MCB Group received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.



Disclaimer

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Our Sustainability Journey



Future commitments

- ASSESS THE OPPORTUNITIES AND RISKS/IMPACTS RELATING TO CLIMATE IN OUR FINANCING PORTFOLIO
- STOP THE FINANCING OF NEW COAL-FIRED POWER PLANTS IN MAURITIUS BY 2022
- STOP ALL NEW FINANCING WORLDWIDE FOR COAL INFRASTRUCTURE AND TRADE, WHETHER THERMAL OR METALLURGICAL

Stakeholder Engagement

We believe that the growth and success of MCB Group relies on our approach in understanding the requirements, expectations and challenges of our different stakeholders. The Group engages with its key stakeholders through several channels that facilitate understanding and responding to their needs.



EMPLOYEES

KEY EXPECTATIONS

- Career development
- A safe and healthy work environment
- An employer that promotes inclusiveness and diversity
- Fair remuneration and recognition

ENGAGEMENT APPROACH

- Engagement survey
- Discussion platforms
- Workplace (Internal communication platform)
- Performance management system
- Training sessions including Talent Management Programme



CLIENTS

KEY EXPECTATIONS

- Excellent product offering and digital solutions
- Good customer service and experience
- Easy access to banking facilities
- Data security and privacy

ENGAGEMENT APPROACH

- Surveys
- Digital platforms and mobile application for banking services
- Focus groups
- Social media
- Branch teams and kiosks
- Relationship Managers



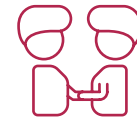
COMMUNITIES

KEY EXPECTATIONS

- Promoting socioeconomic development
- Preserving our environmental and cultural heritage
- Caring for the communities

ENGAGEMENT APPROACH

- MCB Forward Foundation
- Ongoing dialogue with NGOs and partners
- Sponsoring events



SHAREHOLDERS AND INVESTORS

KEY EXPECTATIONS

- Sustainable returns on investment
- Growth of the Group and generating adequate earnings
- Ensure that business decisions are made by considering the global context

ENGAGEMENT APPROACH

- Annual General Meeting
- Online interface
- Earnings calls
- Analysts meeting
- International road shows
- Conference call and meeting



INSTITUTIONS AND ECONOMIC AGENTS

KEY EXPECTATIONS

- Contributing to foster inclusive socioeconomic development
- Financing key projects shaping the economic landscape

ENGAGEMENT APPROACH

- Meetings and discussions with the Mauritius Bankers Association, Business Mauritius, Economic Development Board and other institutions



SUPPLIERS

KEY EXPECTATIONS

- Establishing procurement guidelines in line with best practices on governance, human rights and environment protection
- On time payments

ENGAGEMENT APPROACH

- Survey and audit
- Meeting
- Partnership and support to upskill suppliers



REGULATORS AND RATING AGENCIES

KEY EXPECTATIONS

- Compliance with applicable legal and regulatory requirements
- Preserving the stability and security of the financial sector

ENGAGEMENT APPROACH

- Regular meetings
- Reports submission

Our Material Issues

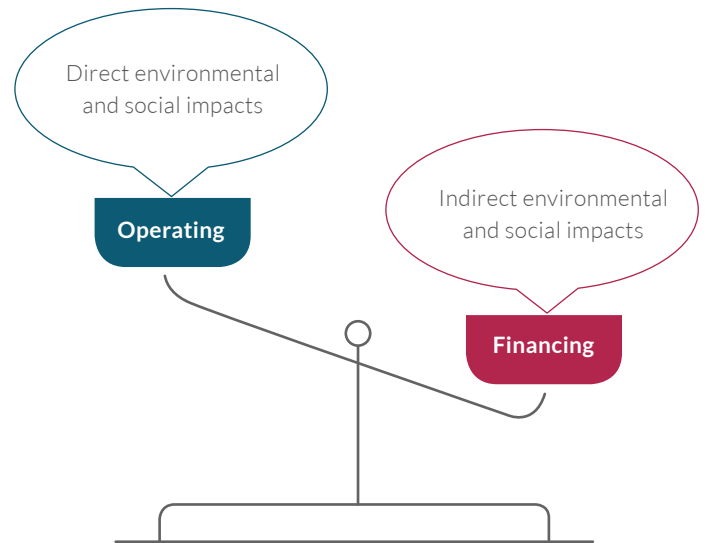
We have identified our material issues by considering our economic and geographical features as well as international issues affecting the banking sector. Our methodology is underpinned by two key analyses.

- The [Gapframe analysis](#) – it is based on the Sustainable Development Goals and has been used to contextualise the material issues of Mauritius because we believe that MCB has a key role to play in helping the country bridge the most important gaps as well as to reinforce and leverage its most important strengths.
- The Datamaran* Artificial Intelligence powered analysis – this assessment which highlights the most salient regional and sectoral sustainability issues tackled by peers of MCB in their sustainability reporting was conducted in 2018.

It is important to point out that for each material topic, the Group has direct and indirect socioeconomic and environmental impacts. Direct impacts result from daily internal operations while indirect impacts which are more significant are caused by our products and financing activities.

The United Nations Sustainable Development Goals define global priorities for 2030 in order to achieve a better and sustainable future for all by ending poverty, protecting the planet, and improving the lives of everyone. The United Nations intend to bring together countries, policy makers, businesses, youth, civil society, the media, academia and other stakeholders so as to achieve this 2030 agenda.

MCB has assessed its contribution to each of the UN SDGs and accordingly identified **eleven priority goals** that are aligned and relevant to its operations and the local context.



LOOKING AHEAD

We have established an action plan with several milestones for the coming years.

- We are currently developing a sustainability policy linked to 'Success Beyond Numbers'.
- Implementation of actions and monitoring of objectives and targets under the three pillars of our sustainability programme.
- Implementation of UNEP FI Principles for Responsible Banking by first conducting an impact analysis of the operations.
- Upgrading of our Environmental and Social Risk Management policy and process through the integration of the revised Equator Principles (EP4) which was released in November 2019.
- Providing training to our employees on sustainable finance.
- Exploring the possibility of integrating Sustainability Linked Loan Principles in our products.
- UN Global Compact Local Network Mauritius – promoting sustainable development in Mauritius as Council Member.

* *Datamaran* is a software solution for non-financial risk management. The software tracks 100 non-financial topics by sifting and analysing millions of data points from publicly available sources, including corporate reports (financial, sustainability reports and Securities and Exchange Commission filings), mandatory regulations and voluntary initiatives, as well as news and social media.

